

## FA\$TRAK'S TRANSITION TO SBA*Express*

<u>ISSUE</u>	<u>FA\$TRAK PILOT</u>	<u>SBA<i>Express</i></u>
<b>Program Status:</b>	Pilot through May 31, 1998.	Pilot through September 30, 2001.
<b>Loan Limit:</b>	\$100K loan maximum.	\$150K loan maximum.
<b>Eligible Lenders:</b>	18 pilot participants.	Offered to better performing SBA preferred lenders and selected non-PLP lenders in low volume PLP districts.
<b>Collateral:</b>	Lenders allowed to use their existing policy regarding collateral.	Lenders not required to take collateral on loans of \$25K or less; may use established collateral policy on all loans over \$25K.
<b>Revolving Loans:</b>	Lenders allowed to use their existing policy regarding revolving lines of credit.	Revolvers limited to maximum of 5 years with term-outs, possible only as part of workouts.
<b>Purchases:</b>	Loan purchases handled by SBA district offices.	Purchases to be centralized by Little Rock and/or Fresno Servicing Centers.
<b>1502 Reporting:</b>	Some participants are not current on 1502 reporting and servicing fees.	Participants must be and must remain current in filing required 1502 reports and remitting required SBA servicing fees.
<b>Lender Oversight:</b>	SBA policy and onsite review guidance emphasized lenders' existing loan practices.	SBA policy will reemphasize practice of prudent lending and prohibit loans that could be made without SBA guaranty.
<b>Loan Transmission:</b>	Lenders may fax or mail loan applications to SBA.	As of April 1, 1999, all loans must be transmitted via Internet (assuming SBA resources support this requirement.)
<b>Secondary</b>	Loans may not be sold on Secondary Market.	Loans may be sold on Secondary Market.

<b>Market:</b>		
<b>Multiple Loans</b>	Lenders can approve multiple FA\$TRAK loans up to a \$750K maximum.	Lenders can approve multiple loans only up to \$150K maximum.